



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 09/975,458 Confirmation No. 9828  
Applicant : Gordon T. Brown  
Filed : October 11, 2001  
Title: : AUTOMATED ACCOUNTING SYSTEM  
TC/A.U. : 3624  
Examiner : Debra F. Charles  
  
Docket No. : 47781-6  
Customer No. : 29694

**APPEAL BRIEF**

Mail Stop Appeal Brief – Patents  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

August 17, 2005

Sir:

Appellant hereby appeals the final rejection of the captioned case set forth in the Office Action dated February 8, 2005.

**REAL PARTY IN INTEREST**

The real party in interest is Noah Systems, Inc., the assignee of the captioned application.

**RELATED APPEALS AND INTERFERENCES**

This application is a continuation of Serial No. 08/313,988 which was the subject of a Decision by the Board of Appeals dated August 15, 2001. A copy of the August 15, 2001 Decision is provided herewith. Other than the August 15, 2001 Decision, there are no related appeals or interferences that are believed to directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**STATUS OF CLAIMS**

Claims 28-70 are pending in the application.

Claims 28-70 stand rejected under 35 U.S.C. § 101.

Claims 28, 32, 39, 40, 51, 55 and 59 stand rejected under 35 U.S.C. § 102(b).

Claims 29-31, 33-38, 41-50, 52-54, 56-58 and 60-70 stand rejected under 35 U.S.C. § 103(a).

Claims 28-70 are appealed. A listing of the appealed claims is provided in the Appendix.

#### **STATUS OF AMENDMENTS**

There are no outstanding amendments.

#### **SUMMARY OF CLAIMED SUBJECT MATTER**

As recited in independent Claims 28, 51, 55, 59 and 63, accounting statements are produced for a plurality of users including the following features: provision of transaction codes, including standardized codes representing financial transaction information; each of the users conducting with a plurality of other entities separate financial transactions; associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction; transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user (e.g., page 2, lines 1-7; page 3, lines 4-9; page 3, line 28 to page 4, line 7; page 4, line 23 to page 5, line 35; page 8, lines 7-19; and page 13, lines 14-23).

As recited in independent Claims 45, 67, 69 and 70, a financial accounting statement is provided for a first entity including the following features: a first computer having at least one file from which an accounting statement may be generated; a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity; an open communication network for transferring said data inputs from said second computer to said file of said first computer; performance of two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs; and producing the accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity (e.g., page 3, lines 11-19; page 3, line 28 to page 4, line 22; and page 13, lines 14-23).

## **GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

1. Whether Claims 28-70 are properly rejected under 35 U.S.C. § 101.
2. Whether Claims 28, 32, 39, 40, 51, 55 and 59 are properly rejected under 35 U.S.C. § 102(b) over Cushing et al.
3. Whether Claims 29-31, 33-37, 41-45, 47, 52-54, 56-58, 60-63 and 67-69 are properly rejected under 35 U.S.C. § 103(a) over Cushing et al. in view of Braun et al. '672.
4. Whether Claim 63 is properly rejected under 35 U.S.C. § 103(a) over Cushing et al. in view of Matsushita et al. '556.
5. Whether Claims 64-66 and 70 are properly rejected under 35 U.S.C. § 103(a) over Cushing et al. in view of Matsushita et al. '556 in further view of Braun et al. '672.

## **ARGUMENT**

### **The 35 U.S.C. § 101 Rejection is Improper and Should Be Reversed**

Claims 28-70 were rejected under 35 U.S.C. § 101 because the claims allegedly do not recite technology, i.e., computer implementation or any other technology, in a non-trivial manner.

As an initial matter, Appellant notes that during prosecution of parent Application Serial No. 08/313,988, neither the Examiner in that application nor the Board of Appeals raised a 35 U.S.C. § 101 rejection of generally similar claims. Furthermore, the currently pending claims are of a generally similar nature to the claims at issue in the *State Street v. Financial Signature Group* case (47 USPQ2d 1596 (Fed. Cir. 1998)), and are likewise directed to statutory subject matter. In the *State Street* case, the Federal Circuit stated that:

the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces a “useful, concrete and tangible result” – a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades. 47 USPQ2d at 1601.

Under the precedent of the *State Street* case, the currently pending claims fully meet the 35 U.S.C. § 101 statutory requirements.

Appellant previously asserted to the Examiner that the *Bowman* case (61 USPQ2d 1669 (Board of Patent Appeals and Interferences)) relied upon by the Examiner is distinguishable from the present case because the *Bowman* case related to an application for hand-plotting of scores on a chart, rather than the technological features recited in the presently claimed invention. Appellant also previously noted to the Examiner that the pending claims meet the Patent Office's published "Computer-Related Invention Guidelines" for statutory subject matter.

In response to Appellant's arguments and citations supporting the position that the pending claims fully meet the requirements of 35 U.S.C. § 101, the Examiner in the Final Office Action merely reiterated the 35 U.S.C. § 101 rejection without any specific reason given other than an assertion that the present claims "do not recite technology". The Examiner cites MPEP 2106 IV B 2(b), which states that:

To be statutory, a claimed computer-related process must either:  
(A) result in a physical transformation outside the computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to the skilled artisan . . . , or (B) be limited to a practical application within the technological arts . . .

Appellant submits that, under the *State Street* decision, as well as the established guidelines of the Patent Office, all of the pending claims represent statutory subject matter. For example, all of the independent claims relate to the generation and handling of financial transaction information, and the use of that information in the production of an accounting statement, which represents a physical transformation outside any computer.

For all of the foregoing reasons, Claims 28-70 fully meet the requirements of 35 U.S.C. § 101, and the rejection based thereon should be reversed.

### **The Prior Art Rejections are Improper and Should Be Reversed**

#### **The Examiner's Rejections are Contrary to the Prior Board of Appeals Decision in the 08/313,988 Parent Application**

Appellant's Preliminary Amendment dated October 27, 2004 addressed the August 15, 2001 Decision by the Board of Appeals in the 08/313,988 application (the parent of the present continuation application). A copy of the August 15, 2001 Decision is attached. In that Decision, the Board of Appeals agreed with Appellant that an electronic data

interchange (EDI) system (as taught by the Kniffen reference) “does not teach the use of a network with two or more entities besides the first entity”.

Those skilled in the art, at the time of the present invention, recognized that EDI systems were closed systems rather than an open network. The August 15, 2001 Decision by the Board of Appeals confirmed that an EDI system did not teach the use of an open network with multiple entities beyond a first entity.

Appellant respectfully traverses the Examiner’s statement in the Final Office Action that “EDI is inherently an open network”. Figure 7.22 (page 238) of Cushing et al., which is relied upon by the Examiner to illustrate an EDI system, confirms the closed nature of such systems – there is no open network among multiple entities. The illustration of an EDI system provided by Cushing et al., and the prior Decision by the Board of Appeals, make clear that EDI systems are closed systems.

All of the pending independent claims recite an open network for transmitting or transferring financial transaction information, which is then used to produce accounting statements from such openly transmitted financial transaction information. Cushing et al. fails to teach or suggest the use of an open network as presently claimed. Therefore, the rejection of independent Claims 28, 45, 51, 55, 59, 63, 67, 69 and 70, and the claims that depend therefrom, based on Cushing et al. is improper and should be reversed.

Further distinctions over Cushing et al. and the other applied references are set forth below. Independent Claims 28, 51, 55, 59 and 63 are addressed as a group, followed by independent Claims 45, 67, 69 and 70. Certain dependent claims are also addressed below.

#### Independent Claims 28, 51, 55, 59 and 63

Independent Claims 28, 51, 55, 59 and 63 recite the production of accounting statements for a plurality of users including the following combination of features:

- (1) provision of transaction codes, including standardized codes representing financial transaction information;
- (2) each of the users conducting with a plurality of other entities separate financial transactions;
- (3) associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;
- (4) transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

(5) sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user.

Independent Claims 28, 51, 55 and 59 were rejected under 35 U.S.C. § 102(b) as allegedly being anticipated by Cushing et al., "Accounting Information Systems. A Comprehensive Approach", Fifth Edition, 1990. Independent Claim 63 was rejected under 35 U.S.C. § 103(a) over Cushing et al. in view of Matsushita '556.

The Cushing et al. reference is a textbook which describes standard accounting methods circa 1990. The Cushing et al. reference does not teach or suggest the combinations of features recited in Claims 28, 51, 55, 59 and 63.

Cushing et al. does not teach or suggest the provision or production of accounting statements for a plurality of users who have conducted separate financial transactions with a plurality of other entities; the provision of transaction codes including standardized codes representing financial transaction information; the transmission of a record of transactions and transaction codes via an open network to at least one file; and the production of an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user, as recited in Claims 28, 51, 55, 59 and 63.

Cushing et al. discloses conventional accounting information systems that were known in 1990, including EDI systems. Nowhere is the use of an open network by a plurality of users and entities as presently claimed taught or suggested by Cushing et al. The Examiner mistakenly relies on the EDI system taught by Cushing et al. as being an "open" network. Appellant respectfully submits that the Examiner's interpretation of Cushing et al. is erroneous, and that the rejection based on Cushing et al. should therefore be reversed.

Furthermore, the provision of transaction codes including standardized codes representing financial transaction information, conducting with a plurality of other entities separate financial transactions, the association of such codes at about the time when the funds are transferred or instructions are given for transfer to complete each financial transaction, transmission of a record of each transaction and the at least one transaction code to a file, and the production of an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user are not taught or suggested by Cushing et al.

As to Claim 63, Matsushita '556 does not remedy the above-noted deficiencies of Cushing et al. Matsushita '556 discloses a signal transmission device utilizing carrier waves.

Accordingly, the rejection of Claims 28, 51, 55 and 59 over Cushing et al., and the rejection of Claim 63 over Cushing et al. and Matsushita '556, should be reversed.

Independent Claims 45, 67, 69 and 70

Independent Claims 45, 67 and 69 recite the provision of a financial accounting statement for a first entity including the following combination of features:

- (1) a first computer having at least one file from which an accounting statement may be generated;
- (2) a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity;
- (3) an open communication network for transferring said data inputs from said second computer to said file of said first computer;
- (4) performance of two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs; and
- (5) producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity.

Claims 45, 67 and 69 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Cushing et al. in view of Braun et al. '672. Claim 70 was rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Cushing et al. and Braun et al. '672 in further view of Matsushita '556.

The Examiner acknowledges that Cushing et al. does not disclose a first computer having at least one file from which an accounting statement may be generated; a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity; and an open communication network for transferring said data inputs from said second computer to said file of said first computer. Braun et al. '672 is relied upon by the Examiner to supply these missing teachings.

According to the Examiner, Braun et al. '672 discloses electronic funds transfer from a plurality of terminals with wire instructions (authorization message and reference number); transaction codes selected by various entities, and transmitting a record of the transaction (parallel documented audit trail); and the transaction codes are provided from a menu in Fig. 4; in addition to transfers of data, funds and financial statements from one entity to another entity. Appellant submits that there is insufficient teaching, suggestion or motivation to combine the Cushing et al. and Braun et al. '672 references in the manner proposed by the Examiner. Instead, the proposed combination of references represents the improper use of hindsight in which Appellant's claims have been used to piece together references to arrive at the claimed invention. Accordingly, the rejection based on Cushing et al. and Braun et al. '672 is improper and should be reversed.

Moreover, even if the Cushing et al. and Braun et al. '672 references could properly be combined as suggested by the Examiner, such a combination would fail to render Claims 45, 67, 69 and 70 *prima facie* obvious. Braun et al. '672 does not teach all of the features acknowledged by the Examiner to be missing from Cushing et al. Specifically, the Examiner fails to explain where Braun et al. '672 discloses a first computer having at least one file from which an accounting statement may be generated; a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity; and an open communication network for transferring said data inputs from said second computer to said file of said first computer.

Braun et al. '672 discloses a financial data processing system including electronic funds transfer using unit records. Braun et al. '672 merely provides a listing of transactions and a confirmation that those transactions took place. No accounting statement including income, expense, asset and/or liability information is provided or contemplated by Braun et al. '672.

Cushing et al. and Braun et al. '672 do not teach or suggest the combinations of features recited in Claims 45, 67, 69 and 70. The references do not teach or suggest a first computer having at least one file from which an accounting statement may be generated; a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity; an open communication network for transferring said data inputs from said second computer to said file of said first computer; and performance of two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs, and

producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity, as recited in Claims 45, 67, 69 and 70.

As to Claim 70, Matsushita '556 does not remedy the above-noted deficiencies of Cushing et al. and Braun et al. '672. Matsushita '556 discloses a signal transmission device utilizing carrier waves.

Accordingly, the rejection of Claims 45, 67 and 69 over Cushing et al. and Braun et al. '672, and the rejection of Claim 70 over Cushing et al., Braun et al. '672 and Matsushita '556, should be reversed.

Dependent Claims 29, 33, 41-44, 47, 52, 56, 60, 64 and 68

Dependent Claims 29, 33, 41-44, 47, 52, 56, 60, 64 and 68 include recitations relating to the transfer of funds (e.g., page 11, line 17 to page 12, line 27). Such transfers of funds represent additional features which further serve to distinguish these dependent claims over the applied references.

The Examiner acknowledges that Cushing et al. does not disclose that the financial transactions include the transfer of funds and instructions for transfer of funds. Furthermore, the Examiner acknowledges that Cushing et al. does not disclose the transmission of a record of each transaction and at least one transaction code at about the time when funds are transferred or instructions are given for the transfer of funds. The Examiner relies on Braun et al. '672 as disclosing electronic funds transfer from a plurality of terminals with wire instructions. According to the Examiner, it would be obvious to one of ordinary skill in the art to modify the invention of Cushing et al. based on the teachings of Braun et al. '672 because one skilled in the art would be motivated to electronically send funds from one point to another so that the transaction can be performed efficiently in the financial institution.

Appellant submits that there is insufficient teaching, suggestion or motivation to combine the Cushing et al. and Braun et al. '672 references in the manner proposed by the Examiner. Instead, the proposed combination of references represents the improper use of hindsight in which Appellant's claims have been used to piece together references to arrive at the claimed invention. Accordingly, the rejection based on Cushing et al. and Braun et al. '672 is improper and should be withdrawn.

Moreover, even if the teachings of Cushing et al. and Braun et al. '672 could be combined as suggested by the Examiner, such a combination would not render dependent

Claims 29, 33, 41-44, 47, 52, 56, 60, 64 and 68 *prima facie* obvious. Assuming that a funds transfer function as disclosed by Braun et al. '672 was combined with Cushing et al., such a combination would not remedy the above-noted deficiencies of Cushing et al.

Accordingly, it is submitted that dependent Claims 29, 33, 41-44, 47, 52, 56, 60, 64 and 68 are patentable over Cushing et al., Braun et al. '672 and the other prior art of record.

For all of the reasons given above, Appellant respectfully submits that the rejections of Claims 28-70 under 35 U.S.C. § 101 are improper and should be reversed. Appellant further submits that the prior art rejections of Claims 28-70 are improper and should be reversed. Accordingly, it is respectfully requested that the case is in condition for allowance, and that the case be remanded to the Examiner for the appropriate action.

Respectfully submitted,



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## CLAIMS APPENDIX

28. A method of providing financial accounting statements for a plurality of users, comprising:

providing transaction codes, including standardized codes representing financial transaction information;

each of the users conducting with a plurality of other entities separate financial transactions;

associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;

transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user.

29. The method of Claim 28, wherein the separate financial transactions include the transfer of funds and the instructions for transfer of funds.

30. The method of Claim 28, wherein the at least one transaction code is selected by at least one of the users.

31. The method of Claim 28, wherein the at least one transaction code is selected by at least one of the other entities.

32. The method of Claim 28, wherein the standardized codes comprise financial transaction codes.

33. The method of Claim 28, wherein the transmission of the record of each transaction and at least one transaction code is initiated at about the time when funds are transferred or instructions are given for the transfer of funds.

34. The method of Claim 28, wherein the transaction codes are provided from a menu.

35. The method of Claim 28, including entering into said file information regarding at least one of the users.

36. The method of Claim 35, wherein said information includes beginning balances for income, expenses, assets, liabilities and/or bank accounts.

37. The method of Claim 36, including entering into said file coding information appropriate to at least one of the users.

38. The method of Claim 28, including providing said users and/or agents of said users passcodes to permit access to said at least one file.

39. The method of Claim 28, including:  
providing a subsidiary ledger for each of said other entities; and  
transferring selected subsidiary ledgers from said other entities to said at least one file.

40. The method of Claim 39, including providing access to said subsidiary ledger for said users and/or agents of said users, whereby said users and/or agents can perform one or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs in said selected subsidiary ledgers.

41. The method of Claim 28, including providing a funds transfer facility to facilitate transfer of funds to and from said users and said other entities.

42. The method of Claim 41, including:  
employing said funds transfer facility to receive an instruction to transfer funds; and  
transferring funds from at least one of said users to said other entities based on said instruction.

43. The method of Claim 41, including employing said funds transfer facility to transmit data related to said transfer of funds.

44. The method of Claim 41, including employing said funds transfer facility to adjust current records.

45. A system for providing financial accounting statements for a first entity, comprising:

a first computer having at least one file from which an accounting statement may be generated;

a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity;

an open communication network for transferring said data inputs from said second computer to said file of said first computer; and

means for performing two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs, and

producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity.

46. The system of Claim 45, including:

a first said file in said first computer for receiving accrual accounting data inputs; and

a second said file in said first computer for receiving cash accounting data inputs.

47. The system of Claim 45, including means for transferring funds from said first entity to said second entity.

48. The system of Claim 45, wherein said second computer comprises means for electronically recording, collecting, processing, storing and transmitting said financial transactions.

49. The system of Claim 45, wherein said first computer is a personal computer.

50. The system of Claim 45, wherein said second computer is a personal computer.

51. A computer assisted method for producing an accounting statement for a plurality of users, comprising:

providing transaction codes, including standardized codes representing financial transaction information;

each of the users conducting with a plurality of other entities separate financial transactions;

associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;

transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user.

52. The method of Claim 51, wherein the separate financial transactions include the transfer of funds and the instructions for transfer of funds.

53. The method of Claim 51, wherein the at least one transaction code is selected by at least one of the users.

54. The method of Claim 51, wherein the standardized codes comprise financial transaction codes.

55. A computer readable medium containing instructions for performing a method for producing an accounting statement for a plurality of users comprising:

providing transaction codes, including standardized codes representing financial transaction information;

each of the users conducting with a plurality of other entities separate financial transactions;

associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;

transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user.

56. The computer readable medium of Claim 55, wherein the separate financial transactions include the transfer of funds and the instructions for transfer of funds.

57. The computer readable medium of Claim 55, wherein the at least one transaction code is selected by at least one of the users.

58. The computer readable medium of Claim 55, wherein the standardized codes comprise financial transaction codes.

59. An apparatus for producing an accounting statement for a plurality of users comprising:

means for providing transaction codes, including standardized codes representing financial transaction information;

means for each of the users to conduct with a plurality of other entities separate financial transactions;

means for associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;

means for transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

means for sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset and/or liability information for each user.

60. The apparatus of Claim 59, wherein the separate financial transactions include the transfer of funds and the instructions for transfer of funds.

61. The apparatus of Claim 59, wherein the at least one transaction code is selected by at least one of the users.

62. The apparatus of Claim 59, wherein the standardized codes comprise financial transaction codes.

63. A computer data signal embodied in a carrier wave, the computer data signal carrying instructions for performing a method for producing an accounting statement for a plurality of users, comprising:

providing transaction codes, including standardized codes representing financial transaction information;

each of the users conducting with a plurality of other entities separate financial transactions;

associating at least one of the transaction codes at about the time when funds are transferred or instructions are given for transfer to complete each financial transaction;

transmitting a record of each transaction and the at least one transaction code via an open network to at least one file; and

sorting the transactions in the at least one file and producing an accounting statement for each user derived from the financial transaction information including income, expense, asset or liability information for each user.

64. The computer data signal embodied in a carrier wave of Claim 63, wherein the separate financial transactions include the transfer of funds and the instructions for transfer of funds.

65. The computer data signal embodied in a carrier wave of Claim 63, wherein the at least one transaction code is selected by at least one of the users.

66. The computer data signal embodied in a carrier wave of Claim 63, wherein the standardized codes comprise financial transaction codes.

67. A computer assisted method for providing financial accounting statements for a first entity, comprising:

providing a first computer having at least one file from which an accounting statement may be generated;

providing a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity;

transferring said data inputs via an open communication network from said second computer to said file of said first computer;

performing two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs; and

producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity.

68. The method of Claim 67, further including transferring funds from said first entity to said second entity.

69. A computer readable medium containing instructions for performing a method for providing financial accounting statements for a first entity, comprising:

providing a first computer having at least one file from which an accounting statement may be generated;

providing a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity;

transferring said data inputs via an open communication network from said second computer to said file of said first computer;

performing two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs; and

producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity.

70. A computer data signal embodied in a carrier wave, the computer data signal carrying instructions for performing a method for providing financial accounting statements for a first entity, comprising:

providing a first computer having at least one file from which an accounting statement may be generated;

providing a second computer for receiving data inputs, said data inputs including electronically recorded financial transaction information made between said first entity and a second entity;

transferring said data inputs via an open communication network from said second computer to said file of said first computer;

performing two or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs; and

producing said accounting statement derived from the financial transaction information including income, expense, asset and/or liability information for the first entity.

ENTERED  
08/27/01 DPP

The opinion in support of the decision being entered today as not written for publication and is not binding precedent of the Board.

Paper No. 24

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte GORDON T. BROWN

Appeal No. 1999-0167  
Application No. 08/313,988

HEARD: July 11, 2001

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PAT. & T.M. OFFICE  
BOARD OF PATENT APPEALS  
AND INTERFERENCES

Before HAIRSTON, RUGGIERO, and DIXON, Administrative Patent Judges.

DIXON, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 2-7, 14-17, and 21-28, which are all of the claims pending in this application.

We AFFIRM.

## BACKGROUND

The appellant's invention relates to an automated accounting system. An understanding of the invention can be derived from a reading of exemplary claims 21 and 28 which are reproduced below.

21. A system for providing financial accounting reports and statements for a first entity such as an individual or a business, said system comprising:

a first computer having at least one file;

a second computer for receiving data inputs, said data inputs including electronically recorded financial transactions made between said first entity and a second entity;

first communication means for transferring said data inputs from said second computer to said file of said first computer; and

means for providing access to said file of said first computer for agents of said first entity so that one of said agents can perform one or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs.

28. A method of providing financial accounting reports and statements for a first entity such as an individual or a business which comprises:

providing a menu of transaction codes, including standardized codes;

conducting through other entities separate financial transactions, including transfer of funds and instructions for transfer of funds, with the first entity at a plurality of separate points;

associating a transaction code from the menu at the time when funds are transferred or instructions are given for transfer to complete the financial transaction;

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transmitting a record of each transaction and selected transaction code to at least one file at about the time of the transaction;

sorting the transactions in the files and producing an accounting statement in a desired format;

printing or electronically displaying the statement results.

The prior art reference of record relied upon by the examiner in rejecting the appealed claims is:

"Interview with Don Kniffen," TMA Journal, Vol. 14, No. 1, pp 34-38, Jan/Feb. 1994 (Kniffen).

Claims 2-7, 14-17, and 21-28 stand rejected under 35 U.S.C. § 103 as being unpatentable over Kniffen.

Rather than reiterate the conflicting viewpoints advanced by the examiner and the appellant regarding the above-noted rejections, we make reference to the final rejection (Paper No. 10, mailed May 22, 1997) and the examiner's answer (Paper No. 18, mailed Feb. 19, 1998) for the examiner's reasoning in support of the rejections, and to the appellant's brief (Paper No. 16, filed Nov. 17, 1997) for the appellant's arguments thereagainst.

## OPINION

In reaching our decision in this appeal, we have given careful consideration to the appellant's specification and claims, to the applied prior art reference, and to the respective positions articulated by the appellant and the examiner. As a consequence of our review, we make the determinations which follow.

At the outset, we note that appellant has argued the limitations of independent claim 28. We view independent claim 21 to be broader and more representative of the claimed invention. At the oral hearing appellant argued that claim 28 should be grouped separately from independent claim 21. Therefore, we will address two separate groupings.

With respect to claim 21, the examiner maintains that Kniffen teaches an electronic data interchange between at least two entities and that the data interchange includes electronic funds transfer and related accounting data. (See final rejection at pages 3-4 and answer at page 4. ) We agree with the examiner. At the oral hearing, appellant argued that Kniffen does not teach or fairly suggest "a system for providing financial accounting reports and statements for a first entity" as recited in the language of claim 21. Appellant further relies upon the interpretation of "accounting statements" as discussed at page 2 of the specification. At page 2, the specification describes entering, deleting, reviewing, adjusting and processing the data inputs to generate the accounting statements. In contradistinction, the language of independent claim 21

merely requires a "means for providing access to said file of said first computer for agents of said first entity so that one of said agents can perform one or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs." Here, access to the file or data is claimed to enable an agent to perform "one or more" of a list of functions. Therefore, it would be improper to interpret the language of claim 21 as requiring all of the functions as recited in the specification at page 2 or to require the level of detail of an accounting statement as may be described in the specification. Furthermore, the explicit limitations of claim 21 do not recite the generation of the accounting statement, but only recite this limitation in the preamble of the claim. Therefore, this argument is not persuasive, and we will sustain the rejection of independent claim 21 and its dependent claims 22-27.

Appellant argues that Kniffen does not teach the use of an integrated network and that Kniffen is a closed system between two participants. (See brief at page 8.) We find no express limitation in the language of claim 21 to support this argument. Therefore, this argument is not persuasive.

Appellant argues that Kniffen does not teach or fairly suggest the conception of an accounting system as appellant's invention. (See brief at pages 6-9.) Again, appellant does not identify specific claim limitations to support this argument. Clearly, the data exchange of information in Kniffen included some financial related data, and it was used and processed which is the basics of accounting. The preamble of the claim is

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the only recitation of accounting and no further processing is recited in claim 21.

Therefore, this argument is not persuasive.

With respect to claim 28, appellant argued at the oral hearing that Kniffen does not teach or suggest the limitations set forth in the second and third paragraphs of claim 28. Specifically, appellant argues that Kniffen does not teach the use of "standardized codes" and providing a "menu of transaction codes." The examiner maintains that a set of standardized transaction codes would have been necessary to select appropriate financial and data transactions between two entities. (See final rejection at page 5.) We agree with the examiner. Further, Kniffen discloses the problems involved with the development of the electronic data and financial interchange, and the need for industry standards to effectuate the exchanges. (Kniffen at pages 1 and 3.) Clearly, in our view, this is motivation for standardization of transactions which would require associated codes thereto. This would be especially true as more entities were to become involved in transactions beyond Budd and the big three automotive manufacturers.

At the oral hearing, appellant argued that Kniffen does not teach "conducting through other entities separate financial transactions, including transfer of funds and instructions for transfer of funds, with the first entity at a plurality of separate points." Appellant relies upon this limitation to claim that the first entity is in a network with other

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entities and these other entities perform financial transactions with or through the first entity. We disagree with appellant's interpretation of the language of claim 28. Here, the examiner maintains that the electronic funds transfer for Budd would have been with Budd's bank. (Final rejection at page 5.) From the examiner's interpretation, the bank of one entity would have been one of the "other entities." We agree with the examiner. Since claim 28 does not identify the number or functional relationship of the other entities, the bank would have been another entity with which to carry out data and financial transactions. Furthermore, Kniffen discloses that transactions are maintained with the three big manufacturers. In our view, these would also be other entities, as claimed. We note that the language of claim 28 does not recite that all the entities are interconnected in a network for transactions and accounting. While we agree with appellant that Kniffen does not teach the use of a network with two or more entities besides the first entity, claim 28 does not require this detail in the recited limitations. Therefore, this argument is not persuasive.

At the oral hearing, appellant argued that Kniffen does not produce an "accounting statement in a desired format" as disclosed on page 2 of the specification. As discussed above, we will not read limitations from the specification into the claim. Therefore, this argument is not persuasive. The examiner maintains that Kniffen discloses generating financial reports. (Final rejection at page 5.) We agree with the examiner. Kniffen does disclose the updating of financial database files including

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general ledger, accounts receivable and credit. (Kniffen at page 3.) It is clear to us that these updates would be printable or viewable on a display for user interaction and review.

Appellant argues many aspects of the accounting statement in the brief at pages 7-9, but we find no express support for these arguments in the language of claim 28. Appellant argues that Kniffen does not disclose the concept of being integrated with any other system such as a credit card system. Again, we find no support in the language of claim 28 for this argument. Therefore, this argument is not persuasive. Since appellant has not rebutted the *prima facie* case of obviousness, we will sustain the rejection of claim 28 and its dependent claims 2-7 and 14-17.

#### CONCLUSION

To summarize, the decision of the examiner to reject claims 2-7, 14-17, and 21-28 under 35 U.S.C. § 103 is affirmed.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

**AFFIRMED**



KENNETH W. HAIRSTON  
Administrative Patent Judge



JOSEPH F. RUGGIERO  
Administrative Patent Judge



JOSEPH L. DIXON  
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